WATER PROVISION

INTRODUCTION

Current Water Provision Projects

Point Pump Station relocation
This is the largest wastewater pump station in the eThekwini area and it serves the Point area and most of central Durban. It is to be relocated to a new site next to the entrance to the harbour entrance tunnel, where it will best facilitate the extensive development of the Point.

Ohlanga/Phoenix Trunk Sewer
Excess untreated effluent from Umhlanga wastewater treatment works (WTW) is pumped via the Ohlanga and Waterloo pump stations to Phoenix WTW for treatment. Both these pump stations are at capacity and large housing projects are planned within the area. This project entails doubling the capacity of the Ohlanga pump station and building a new rising main and gravity trunk sewer to Phoenix WTW. This facility will be able to serve the planned developments in the area well into the future as well as reduce the flows pumped from the Waterloo pump station, drastically reducing pollution in the Ohlanga river.

Phoenix Wastewater Treatment Works
Large-scale development (housing and industrial) is planned in the catchment of this treatment works it will need to have its capacity doubled in the next few years and doubled again in the medium term. Sufficient funds for the first doubling are available in the current three-year budget. The second doubling – mainly to serve Cornubia – will require additional funds.

KwaMashu and Northern Wastewater Treatment Works
These treatment works are in need of major modernisation and upgrading. Two contracts will provide the necessary civil, electrical and mechanical installations and upgrades to greatly improve operating efficiency and effectiveness, and reduce operating costs by providing automation to parts of the works.

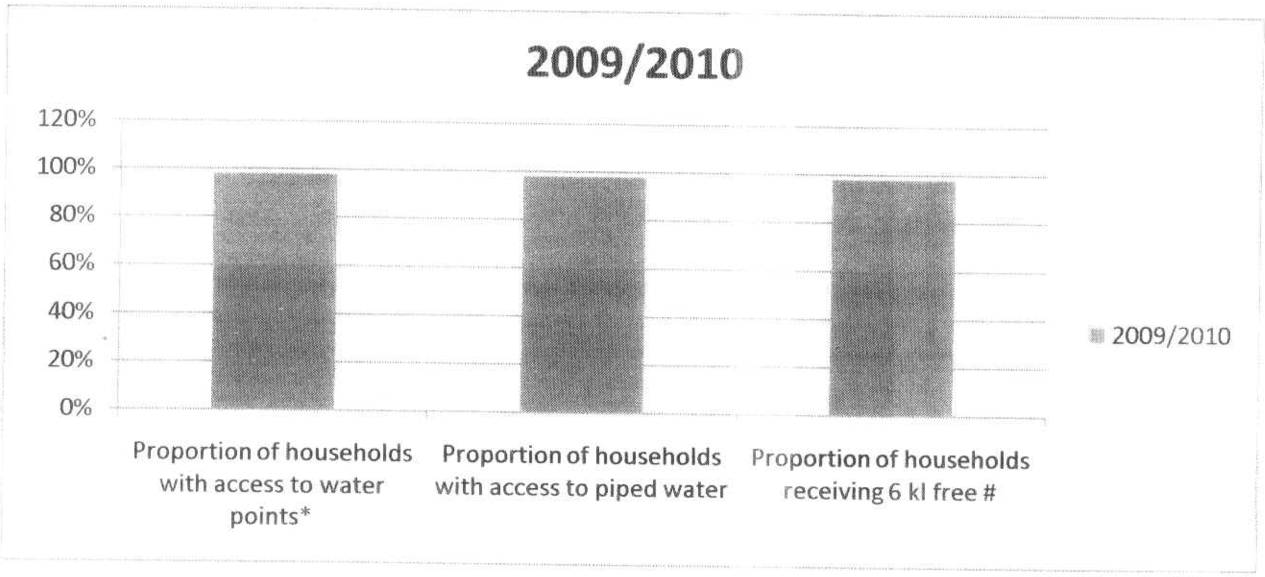
Water Service Delivery Levels	
	Households
Description	**2009/2010**
	Actual
	No.
Water: **(above min level)**	
Piped water inside dwelling (standard water connection)	596,511
Piped water inside yard (but not in dwelling) supplied via GTs/H/H SPs	33,424
Using public tap (within 200m from dwelling) supplied via WD/SP/Ablution Block	200,749
Other water supply (within 200m)	incl. above
Minimum Service Level and Above sub-total	830,684
Minimum Service Level and Above Percentage	**91%**
Water: **(below min level)**	
Using public tap (more than 200m from dwelling)	
Other water supply (more than 200m from dwelling	
No water supply	
Below Minimum Service Level sub-total	**81,774**
Below Minimum Service Level Percentage	**9.0%**
Total number of consumer units (backlog)*	
Total	912,459
*** - To include informal settlements**	

Households - Water Service Delivery Levels below the minimum	
Description	**Households**
	Actual
	No.
Formal Settlements	
Total households	495,018
Households below minimum service level	nil
Proportion of households below minimum service level	nil
Informal Settlements/Backyard Shacks/Rural	
Total households	417,440
Households ts below minimum service level	81,774
Proportion of households ts below minimum service level	19.6%

Access to water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free #
2009/2010	98%	98%	98%

*Means access to 25 litres of potable water per day within 200m of a household and with a minimum flow of 10 litres per minute

6,000 litres of potable water supplied per formal connection per month



Water		
Service Objectives	Outline Service Targets	2009/2010
		Actual
Service Indicators		
(i)	(ii)	(iii)
Service Objective (2009/2010 Actual now records delivery which for the first time is based on the revised count of consumer units (totalling 912458 CUs) as conducted on the 2007 photography and now to be adopted by all service units as the total eThekwini Customer Base)		
Backlog	The backlog of the number of consumer units provided with access to a free basic level of potable water either by means of an indiv. Hh yard supply (ground tank or metered flow limiter conected to a yard tap) or, for informal settlements, by a standpipe within 200m)	81,774
Delivery	The number of consumer units provided with access to free basic level of potable water either by means of an indiv. Hh yard supply (ground tank or metered flow limiter conected to a yard tap) or, for informal settlements, by a standpipe within 200m)	234,173
Free Services	The total number of consumer units with a metered full or semi pressure water supply receiving free potable water (i.e. consumer units using 9kl or less of potable water per month)	125,122

Employees: Water & Sanitation Services					
Job Level	2008/2009	2009/2010			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	4	5	3	2	40%
4 - 8	21	27	23	4	14%
9-13	46	92	55	37	40%
13 - 15	386	1024	470	554	54%
16 - 18	1342	3170	1871	1299	40%
19 - 25	202	460	200	260	56%
Total	2001	4778	2622	2156	32%

Financial Performance 2009/10: Water Services					R'000
Details	2008/2009	2009/2010			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	2,268,357	2,603,340	2,708,240	2,677,582	3%
Expenditure:					
Employees	302,867	366,890	366,890	356,578	-3%
Repairs and Maintenance	374,113	337,485	388,970	457,417	36%
Other	1,689,670	1,859,723	1,913,138	2,035,870	9%
Total Operational Expenditure	2,366,651	2,564,098	2,668,998	2,849,865	11%
Net Operational (Service) Expenditure	98,294	-39,242	-39,242	172,283	

Capital Expenditure 2009/10:					R' 000	
Capital Projects	2009/2010					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	Actual/ Adj Budget
Total All	1,163,240	1,209,101	1,496,656	129%		124%
Replacement of Water Pipes	550,000	702,242	989,797	180%	2,200,000	
Western Aqueduct	210,000	191,131	191,131	91%	1,300,000	
Waterloss	50,000	48,182	48,182	96%	50,000	
Blocksums	225,800	204,814	204,814	91%	225,800	
Other	127,440	62,732	62,732	49%	127,440	
Total project value represents the estimated cost of the project on approval by council						

SANITATION

Sanitation Service Delivery Levels	
Description	2009/2010 Actual No.
Sanitation/sewerage: **(above minimum level)**	
Flush toilet (connected to sewerage)	498,341
Flush toilet (with septic tank or package plant)	37,288
Urine Diversion (UD)	89,307
Pit toilet (ventilated)	40,000
Other toilet provisions (above minimum service level) (ablution blocks)	26,431
Total households	691,367
Sanitation Backlog	221,091
***Total number of households including informal settlements**	**912,458**
Percentage above minimum level	**76%**

Households - Sanitation Service Delivery Levels below the minimum	
Households	
Description	2009/2010 Actual No.
Formal Settlements	
Total households	495,018
Households below minimum service level	nil
Proportion of households below minimum service level	nil
Informal Settlements/Rural Traditional/Backyard Shacks	
Total households	417,440
Households ts below minimum service level	221,091
	912,458
Proportion of households below minimum service level	24.23%

Waste Water (Sanitation) Service Policy Objectives Taken From IDP		
Service	Outline Service Targets	2009/2010
Service Indicator		Actual
(i)	(ii)	(iii)
Service Objective (2009/2010 Actual now records delivery which for the first time is based on the revised count of consumer units (totalling 912458 CUs) as conducted on the 2007 survey and now to be adopted by all service units as the total eThekwini Customer Base)		
Delivery	The number of consumer units provided with access to free basic level of sanitation either by means of a UD toilet, an existing VIP or, for informal settlements, by a	155,738
Backlog	The backlog of the number of consumer units with access to a FREE basic level of SANITATION by means of UD toilet, an existing VIP or, for informal settlements, by a toilet/ablution block within 200m	221091
Free Services	The number of consumer units with access to a Municipal sewage disposal system receiving free sanitation (that is, consumer units with a metered, full or semi- pressure water supply using 9Kl or less of potable water per month)	Volume based sewage disposal charges introduced from 1 July 2010

Employees: Sanitation Services					
	2008/2009	2009/2010			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	2	2	1	1	50%
4 - 8	10	13	11	2	15%
9 - 13	23	46	28	18	39%
13 - 15	193	512	235	277	54%
16 - 18	671	1585	936	649	40%
19 -25	101	230	100	130	56%
Total	**1000**	**2388**	**1311**	**1077**	**45%**

					R'000
	2008/2009	2009/2010			
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	157,536	225,204	225,204	217,944	3%
Expenditure:					
Employees	164,974	195,974	193,549	188,021	-4%
Repairs and	202,051	209,886	198,311	246,713	15%
Other	200,943	290,775	308,310	221,024	-32%
Total Operational Expenditure	567,968	696,635	700,170	655,758	-6%
Net Operational (Service) Expenditure	410,432	471,431	474,966	437,814	-8%

Capital Expenditure 2008/09: Sanitation Services R' 000							
	2009/2010						
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	Actual/ budget	Actual/ Adj Budget
Total All	427,102	387,090	387,090	90.63%		91%	100%
Ablution Blocks	114,052	102,835	102,835	90.17%	240,000		
Amanzimtoti WTW 25 Ml/d trf.to SWTW	29,000	35,228	35,228	121.48%	75,000		
Blocksums	99,500	121,000	121,000	121.61%	121,000		
Other	184,550	128,027	128,027	69.37%	184,550		

ELECTRICITY PROVISION

INTRODUCTION

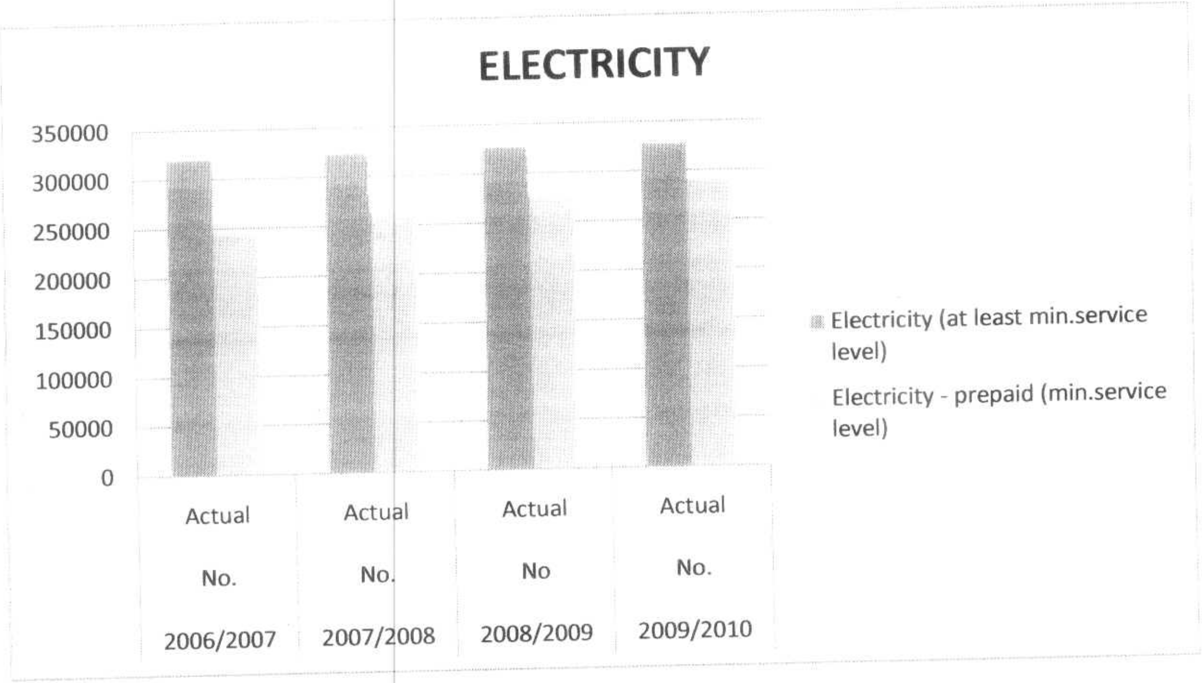
Electrical generation capacity constraints still plagues the industry with much being done by Eskom to prevent load-shedding. The net reserve margin for 2011 and 2012 still presents a threat as new capacity is commissioned.

Owing to extensive energy efficiency campaigns and personal consultation with large power users the increase in consumption between the 2008/9 and 2009/2010 years have been minimal at 0.28%, despite an additional 15 447 new customers to the network. Large savings were made in the industrial sector while a slight reduction was experienced in the residential sectors.

The supply of 65 units of Free Basic Electricity to the indigent population of eThekwini has been automated and every household using less than 150 units per month is issued with a free token on request. There were 62 737 beneficiaries for the year.

The high cost of electricity threatens to make it unaffordable to the poor. As a result, increases to the poor have been capped at 15% while the average increase was 28%. New mechanisms are being investigated to protect the poor from the extraordinarily high price increases expected over the next few years.

Total Use of Electricity by Sector	**USE - MWh**				
	Business	**Street lighting**	**Industrial**	**Domestic**	**Unaccountable Electricity losses**
2008/2009	2,205,259	37,678	5,037,895	3,639,390	5.08%
2009/2010	2,614,548	41,853	4,669,853	3,625,500	5.20%



Electricity Service Delivery Levels

Households

Description	**2006/2007** **No.** **Actual**	**2007/2008** **No.** **Actual**	**2008/2009** **No** **Actual**	**2009/2010** **No.** **Actual**
Energy: **(above minimum level)**				
Electricity (at least min.service level)	319516	323389	326386	327002
Electricity - prepaid (min.service level)	245017	263712	275670	289946
Minimum Service Level and Above sub-total				
Minimum Service Level and Above Percentage				
Total number of households	573533	587101	602056	616948

eThekwini Key Performance Indicators	Baseline 08/09	Annual target	5 Year target	Means of Verification	Measures taken to	Status as at 30 June
The backlog of ELECTRICITY connections to consumer units (includes housing backlog and un-served rural consumer units)	245841	235841	195841	Actual Households connected captured in Ellipse	Housing delivery dependent	233224
The number of consumer units provided with subsidised ELECTRICITY connections per annum including housing and rural consumer units	-	10000	50000	Actual connections recorded on Ellipse	Housing delivery dependent	12617
The number of consumer units provided with non-subsidised ELECTRICITY connections per annum	-	3600	-	Actual Connections Captured in Ellipse	Housing delivery dependent	2830

Employees: Electricity Services

Job Level	2007/08	2008/09			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	17	**15**	8	7	46.67%
4-8	1050	**1392**	1086	306	21.98%
9-13	622	**946**	628	318	33.62%
14-15	52	**77**	55	22	28.57%
16 - 18	17	**31**	22	9	29.03%
19-25	6	**6**	6	0	0.00%
Total	**1764**	**2467**	**1805**	**662**	26.83%

Financial Performance 2008/09: Electricity Services

Details	2007/08	2008/09				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	Variance to Budget
Total Operational Revenue (excluding tariffs)	4,097,637,277	4,691,510,850	5,225,387,800	5,113,450,968	9%	-421,940,118
Expenditure:						0
Employees	396,461,497	536,182,200	536,182,200	460,156,643	14%	76,025,557
Repairs and Maintenance	351,321,008	397,807,100	437,823,940	391,069,539	2%	6,737,561
Other	3,349,854,772	3,757,521,550	4,251,381,660	4,262,224,786	-13%	-504,703,236
Total Operational Expenditure	4,097,637,277	4,691,510,850	5,225,387,800	5,113,450,968	-9%	-421,940,118
Net Operational (Service) Expenditure	0	0	0	0	0	0

Capital Expenditure 2009/10: Electricity Services							
Capital Projects	2009/2010						
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	Actual/Budget	Actual/Adj Budget
Total All	86860000	102650000	88594000	15790000		102%	86.31%
Project A	23300000	21650000	19389000	-1650000	R 19 389 000		
Project B	34060000	39000000	34721000	4940000	R 34 721 000		
Project C	26200000	31300000	28732000	5100000	R 28 732 000		
Project D	3300000	10700000	5752000	7400000	R5 752 000		

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Trading Performance

The original budget of R 4 692-million was prepared before the National Energy Regulator of South Africa's (NERSA) approval of the electricity tariff and was based on an estimated Eskom increase of 15.2 %.
This budget was revised to R5 225-million (adjusted budget) after the actual Eskom increase of 35.9 % and should be used as the base for any meaningful comparison (eThekwini's sales tariff was increased from 12 % to 29.5 % in the adjusted budget). Against this base, the total revenue of R5 113 451 was 2.1% below budget. This negative variance on revenue was due mainly to a combination of the economic recession and the various energy-saving and reduction measures implemented by industry and commerce. The saving on employee-related costs is due to the non-filling of vacancies arising mainly from the shortage technical skills in the country. The variance in Repairs and Maintenance was due to savings on expenditure. Under "Other" the variance between the adjusted budget (adjusted for the actual increase from Eskom for Purchases) was minimal.

IDP Target

The IDP target for the Electricity Service can be achieved with existing budget provisions.

Capital Projects

Significant progress was made on the four major capital projects for the reinforcement of the high voltage network. The projects are:

a) PARLOCK 132KV SWITCHYARD
The 132 000 volt switching station will enhance the security of supply to the entire Metro area and will allow for independent protection and control of several 132 kv feeder circuits which currently operate together. In the event of a fault, this will enable an affected area to be localised on any one of the circuits. The substation is expected to be commissioned by November 2010. Original budget: R23 300 000. Budgeted adjusted to R 21 650 000.

b) KINGSBURGH 132/11KV SUBSTATION
A new substation to cater for growth in the lower South Coast area and to facilitate the decommissioning of the unreliable and under-rated 33 000 volt network. The project is expected to be completed by June 2011.
Original budget: R34 060 000. Adjusted budget: R39 000 000.

c) AVOCA 132/11KV SUBSTATION
A new substation to cater for rapid growth in the Riverhorse/Avoca area. The substation was commissioned on 9 June 2010.
Original budget: R26 200 000. Adjusted budget: R31 300 000. Actual expenditure: R 28 732 000.

d) RIDGEVIEW 132/11KV SUBSTATION
A new substation to cater for development in the Cato Manor and Westville areas. The project is expected to be completed by December 2010.
Original budget: R 3 300 000. Adjusted budget: R10 700 000.

WASTE MANAGEMENT

INTRODUCTION

In the 2009/2010 financial year, major successes included:

- An audit of the eThekwini Municipal Area was done, including a GIS survey, and the current backlog was identified;
- Liaison with the local structures, communities and internal departments was concluded with the aim of developing and introducing an equitable service to the areas where backlogs were identified;
- A Budget was identified and a report was tabled and duly accepted by the Bid Evaluation Committee; and
- Advertising was completed and the appointment of contractors is imminent.

Challenges

- Co-ordination in advertising and appointment due to sensitivity of contractor versus area of appointment (contractor and employees must be residing in the area of operation).
- Lengthy delays in appointment due to the implementation of procurement processes after report authorised by Bid Evaluation Committee.
- Administrative requirements are a major hurdle due to the nature of contracts as identified as Community Based Contractors, namely SARS and tax requirements, banking requirements, registration on Municipal database etc.
- Although the backlog was cleared, based on the audit and GIS, and DSW has achieved to date 100% service delivery, this is a moving target. Therefore, new areas and dwelling will be identified for servicing in the following years.

Progress to date

Waste Disposal

- Managing three major GLB+ landfills and ensuring all standards are adhered to, as per the permit.
- Introduced training of new landfill engineers from the local university.
- Began with the gas-to-electricity project, harnessing about 16.8MW from the three sites.
- Plant and Rescue Unit, and Letchate Treatment plant established.
- All rehabilitation done in-house.

Recycling

- Introduced recycling using the materials recycling facilities, and composting.
- Completed domestic recycling within the formal eThekwini Municipal Area for all paper, plastic, cardboard and polystyrene products.
- Recycling at all transfer stations, garden sites and business sectors.

Operations

- All the domestic areas both within the formal and informal areas have a once a week collection.
- All the businesses have a customised refuse removal service, with revenue generated in the region of R180m (tariff based).
- All major streets are cleaned and high pressure washing takes place.
- Freeways and national routes within the eThekwini Municipal Area are cleaned with mechanical sweepers.

Priorities for the year ahead

- To extend recycling initiatives within eThekwini.
- Sourcing a new landfill in the south to address the needs of communities.
- Continue to address and service the backlogs.
- Aim to reduce illegal dumping within the eThekwini Municipal Area.

Solid Waste Service Delivery Levels

Households

Description	2006/2007	2007/2008	2008/2009	2009/2010
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: **(Minimum level)**				
Removed at least once a week	1203500	1 258 582	1 338 582	1433914
Solid Waste Removal: **(Below minimum level)**				
No rubbish disposal	90000	80 000	50 000	0
Total number of households				

Households-Solid Waste Service Delivery Levels Below the Minimum

Households

Description	2006/2007	2007/2008	2008/2009	2009/2010		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	903 500	903 500	903 500	904 562	–	903562
Informal Settlements						
Total households	300 000	355 082	435 082	530 352	–	530352

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2008/2009		2009/2010			2010/2011	2013/2014	
		Target	Actual	Target		Actu	Target		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	5%	8%	12%	13%	13%	13%	15%	15%
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	100%	100%	!00%	100%	100%	100%	100&	100%

Employees: Solid Waste Management Services

Job Level	2008/2009	2009/2010		
	Employees No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1193	1193	140	12%
4 - 6	451	451		0%
7 - 9	-	-	-	-
10 - 12	104	104	0	0%
13 - 15	13	13	1	8%
16 - 18	4	4	1	25%
19 - 20	4	4	0	0%
Total	1769	1769	142	8%

Employees: Waste Disposal and Other Services

Job Level	2008/2009	2009/2010		
	Employees No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	25	50	-	-
4 - 6	3	3	-	-
7 - 9	43	43	-	-
10 - 12	5	5	0	0%
13 - 15	2	3	0	0%
16 - 18	1	1	1	100%
19 - 20	1	1	0	0%
Total	80	106	1	1%

Financial Performance 2009/10: Solid Waste Management Services

R'000

Details	2008/2009			
	Actual	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	373,911	332,137	363,431	9%
Expenditure:				
Employees	225,020	283,581	263,983	-7%
Repairs and Maintenance	53,206	47,565	50,371	6%
Other	493,655	378,257	550,059	31%
Total Operational Expenditure	771,881	709,403	864,413	18%
Net Operational (Service) Expenditure	397,970	377,266	500,982	25%

Financial Performance 2009/10

R'000

Details	2008/2009	2009/2010			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	7,519,980	30,489,420	30,489,420	12,872,335	-137%
Expenditure:					
Employees	-	1,355,680	1,355,680	-	
Repairs and Maintenance	2,803,253	7,326,000	7,326,000	7,979,755	8%
Other	9,550,950	15,365,870	15,365,870	10,748,945	-43%
Total Operational Expenditure	12,354,203	22,691,870	22,691,870	18,728,700	-21%

Capital Expenditure 2009/10: Waste Management Services

R' 000

Capital Projects	2009/2010				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25,100	25,100	35,292	141%	
Landfill Gas to E	2,000	2,000	4,366	218%	
Randles Nursery Waste Pre-treatment and Infill	15,000	19,700	27,405	183%	
Other	8,100	3,400	3,521	43%	

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

1. Bisasar Rd Randles Cell: Budget was increased to complete the final cell lining for the landfill. No other major expenditure is expected for this project.
2. Umlazi Garden Refuse Site: Original request was for R3-million. Treasury cut budget to R2.7-million, which was insufficient to construct the project. Therefore funds had to be transferred internally, in order to complete the project.
3. INK Garden Refuse Site: Unable to identify any vacant land that has not been designated for use by other departments, except those within the 100 year flood plain. Therefore transferred funds out to other projects.
4. Landfill Gas to Electricity: Funds required to keep the project at its peak performance. Additional wells and infrastructure required for the fresh waste areas that have been filled.

HOUSING

INTRODUCTION

The strategy is to upgrade informal settlements where they are and only if they cannot be upgraded in situ to relocate to greenfields projects. All informal settlements have been assessed in terms of whether they require relocation or can be upgraded. In addition, most informal settlements are extremely dense and some relocation is required to provide for roads, sewers, water, electricity, etc. The Municipality is delivering houses above the standards set by the national government by providing additional funds to ensure the sustainable supply of services, for example, the subsidy only provides for gravel roads, VIPs, and stand pipes and the Municipality provides the additional capital for tar roads, water-borne sanitation, and water inside the house. The top three priorities are the upgrading or relocation of informal settlements (9387 units), the transfer of rental stock (4640 units), and the promotion of housing in restructuring zones/mixed use, income areas (1316 units). There is an informal settlement monitoring programme that interacts with communities living in informal settlements.

Percentage of households with access to basic housing

Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of Households in formal settlements
2006/2007	Not Available		
2007/2008	903 652	495 018	54.8%
2008/2009	903 652	511 533	56.6%
2009/2010	903 652	519 964	57.5%

Housing Service Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2008/2009		2009/2010			2010/2011	2013/2014	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Housing Backlog (Units)	New houses constructed	16,000	16,515	16,000	13,000	9,387	13,000	13,000	13,000
	Houses needed – backlog. (No growth rate included)	-	373,880	-	-	364,493	351,493	338,493	325,493

HOUSING

Job Level	2008/2009	2009/2010			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	89	13	99	-86	-662%
4 - 8	126	14	118	-104	-743%
9-13	112	17	99	-82	-482%
14-15	23	2	23	-21	-1050%
16 - 18	6	1	10	-9	-900%
19-25	3	1	3	-2	-200%
Total	359	48	352	-304	-633%

COMMENT ON OVERALL PERFORMANCE OF THE HOUSING SERVICE

The five-year target as set in the IDP will not be achieved as the backlog has changed due to the 2007 dwelling count, which increased the backlog from about 200 000 (Statistics South Africa 2007) to 408 000. In addition, limited housing subsidies and increasing development costs as well as delays in project approval by the Province are causing the programme to slow down. Full housing accreditation to the Municipality and direct capital flows from the National government would help alleviate the situation.

FREE BASIC SERVICE AND INDIGENT SUPPORT

Over the years eThekwini Municipality's function has expanded to assume more of a welfare role. Poverty and unemployment are significant challenges prevalent in the Municipal area. To provide assistance to the poorest of the poor, the Municipality has developed a social welfare package to assist residents who cannot afford Municipal services.

The provision of basic services are critical to social well-being and economic activity. The eThekwini Municipality includes rural and urban areas, and a wide spread of income groups. Due to this variation, the metropolitan area has a number of households which do not have access to all services.

The basic social package is an affirmation of the Municipality's commitment to pushing back the frontiers of poverty. The social package also assists the Municipality in meetings its constitutional obligations. The cost of the social package amounted to about R1.6-biilion for the 2009/10 year.

Details of initiatives carried out by the Council in this regard are detailed below.

SERVICE	SOCIAL PACKAGE	COST R'M	NO.OF HOUSEHOLDS
Assessment Rates	All residential property owners are exempt from paying rates on the first R120 000 of their property value.		111 838
	Pensioners, child-headed households, disability grantees and the medically boarded are exempt from paying rates on the first R400 000 of their property value. (This amount is inclusive of the R 120 000 mentioned above.)		56 751
	No rates levied on first R 30 000 value of vacant land.		4 098
		1 071.8	172 687
Water	The first 9kl of water is free to all residents. Households with property values under R190 000 do not pay the fixed charge for water	259.4	504 100
Electricity	The first 50kwh of electricity is free to residents using less than 150kwh per month in Eskom reticulated areas.	1.6	4 000
	The first 65kwh of electricity is free to residents using less than 150kwh per month in eThekwini reticulated areas.	29.7	59 000
Refuse Removal	Residential property valued up to R190 000 exempt from domestic refuse removal tariff.	240.1	390 000
Total		**1 602.6**	

The cost of this social package is mainly funded from the equitable share provided by the National Government.

EThekwini Municipality is responding in many other ways to poverty, as follows:

Agrifarming

The Agri-Business Unit has undertaken several projects in the agricultural sector which have created a number of jobs which allows people to sustain themselves.

The City has embarked upon a Soybean Project to produce a crop which has proven to be an extremely healthy and low-cost alternative to meat. Eighty families have benefited from the Cottonlands Hydroponic Project which focuses on growing mushrooms. In Umgababa, a saltwater recycling system is being used to breed fish. This is being done in fibreglass tanks with a high fish stocking density.

Soup Kitchens

The City also operates a food security programme which runs 18 soup kitchens within the eThekwini Municipal Area.

Zibambele Poverty Alleviation

The Municipality facilitates the empowerment of people in the community by engaging the service of co-operatives and emerging contractors to maintain of park play-lots and other areas. Small and emerging contractors are also used for grass cutting of verges and weed control. Plans are in place to include new areas.

Contractors are also being used to clean and maintain libraries, museums and golf courses. The Zibambele Poverty Alleviation Scheme has created 5 560 employment opportunities.

Expanded Public Works Programme (EPWP)

Labour intensive employment through infrastructure programmes were created via this grant (R60m).

ROADS

INTRODUCTION

The capital roads programme can be broken into a number of components:

Unsurfaced to surfaced road programme

Priority is given to public transport routes and those serving social facilities.

Provision of sidewalks

Priority is given to those serving schools, other social facilities and public transport routes.

New and upgraded road infrastructure to addresses capacity constraints

Largely informed by the Integrated Transport Plan through the Transport Authority.

Rehabilitation Programme

This is in terms of the Pavement Management System, which optimises the benefit to the entire surfaced Municipal road network, based on the available budget. It also models deterioration of the network and forecasts the budget needed to maintain the network. Work involves resurfacing existing roads and reconstruction layer works to existing roads where necessary.

Challenges

The biggest challenge in the 2009/10 year was the successful implementation of a number of major road projects ahead of the 2010 Fifa World Cup in addition to the normal delivery of road projects. Major projects included the inbound and outbound Warwick Viaducts and the public transport lanes on the Nkosi Albert Luthuli Freeway.

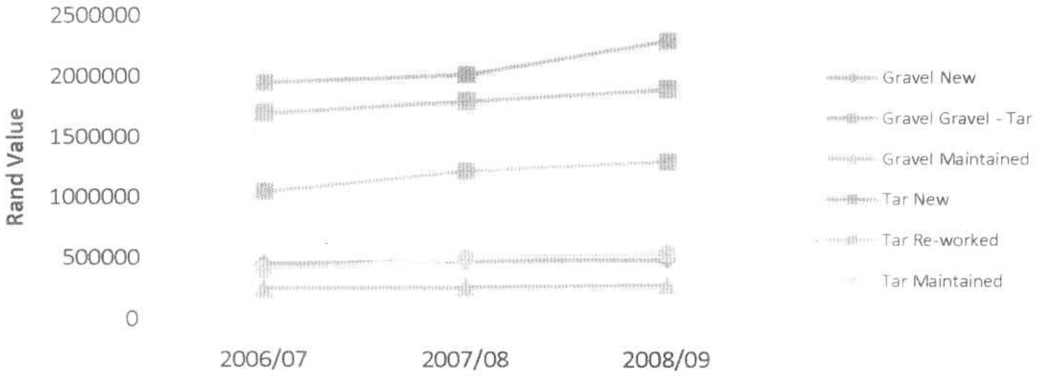
Other programmes

Gravel Road Maintenance Programme (reblading and regravelling).
Routine road maintenance programme (patching , porthole repair, crack sealing etc).
Zibambele programme.

Gravel Road Infrastructure				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2007/2008	1378	0	0	1378
2008/2009	1378	0	0	1378
2009/2010	1378	0	26.68	1352

Tarred Road Infrastructure				
				Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Tar roads maintained
2007/2008	5769	27 LANE KM	231,7 LANE KM	5769/KM
2008/2009	5800	21 LANE KM	365,7 LANE KM	5790/KM
2009/2010	5829	39 LANE KM	341,5 LANE KM	5829/KM

Cost of Construction/Maintenance			
R' 000			
	Gravel		Tar
	Gravel - Tar	Maintained	Maintained
2007/2008	not available	32,000	not available
2008/2009	not available	42,000	197000
2009/2010	4390	54,000	193000



Road Infrastructure Cost

Road Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2008/2009		2009/2010		
		Target	Actual	Target		Actual
Service Indicators		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Development of Municipal roads as required	1165km of Municipal roads developed	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	1148km	1138km

Employees: Road Services

Job Level		2009/2010			
		Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3		31	2	29	93%
4 - 6		70	35	35	50%
7 - 9		54	27	27	50%
10 - 12		47	27	20	42%
13 - 15		51	23	28	54%
16 - 18		12	6	6	50%
19 - 20		1	1	0	0%
Total		266	121	145	55%

Financial Performance 2009/10: Road Services

R'000

Details	2009/2010	2010/2011			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	47000	51000	n/a	n/a	n/a
Expenditure:	181000	226000	n/a	n/a	n/a
Employees	332000	398000	n/a	n/a	n/a
Repairs and Maintenance	98000	105000	n/a	n/a	n/a
Other	61000	729000	n/a	n/a	n/a
Total Operational Expenditure	606300	723900	n/a	n/a	n/a
Net Operational (Service)			n/a	n/a	n/a

ENGINEERING UNIT				
	CAPITAL COMPARATIVE FOR JUNE 2010			
DEPARTMENT	ADJUSTED BUDGET	ACTUAL (year to date)	% SPENT AGAINST BUDGET	BALANCE UNSPENT
ENGINEERING				
PROJECTS	370,558,000	516,086,824	139.27%	-145,528,824
ARCHITECTURE	17,300,000	36,348,485	210.11%	-19,048,485
PROJECTS MANAGEMENT UNIT	14,000,000	13,766,245	98.33%	233,755
ROADS	292,900,000	342,895,027	117.07%	-49,995,027
STORMWATER	46,358,000	123,077,067	265.49%	-76,719,067
OPERATIONS	2,848,227	3,514,346	123.39%	-666,119
TOTAL	373,406,227	519,601,170	139.15%	-146,194,943

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The current Visual Condition Index (VCI) of the Municipality's surfaced road network is 80, which is classed as good. Provided funding levels for road rehabilitation are sustained at the current level, the average VCI for the network should be maintained.

Delivery of capital road infrastructure projects on the budget was achieved with full utilisation of the allocated budget.

With large demands and a constrained budget the ability to address backlogs undoubtedly will take time. The upgrading of unsurfaced roads to surfaced roads, for example, requires a budget in the billions to address every unsurfaced road. Clearly this is not realistic and priority is given to roads that serve as public transport routes or those serving development nodes.

TRANSPORT

(INCLUDING VEHICLE LICENSING AND PUBLIC BUS OPERATION)

Introduction

It must be noted that vehicle licensing is not a function of the eThekwini Transport Authority.
The overall Transport Strategy is in line with the National Public Transport Strategy adopted by the Cabinet in 2008.
The main steps towards the implementation of the strategy are to:
1) Develop a Public Transport Action Agenda; and
2) Develop an Integrated Rapid Public Transport Network (IRPTN) plan.

In terms of the Public Transport Action Agenda, the ETA submitted a motivation for R1.8 billion per annum for Public Transport subsidies. No increase in the existing Public Transport Subsidy was granted, and it is therefore not possible to expand the public transport services.
In 2009/10, the main challenge was that no increase in the Public Transport Subsidy was received, in fact it was REDUCED.
At the beginning of 2009/10, the then Operator of the Durban Transport Service gave notice that he was unable to continue operating the service.
A substitute operator was appointed in July 2009 and the main focus was to get the service up and running as soon as possible.
Many public transport trips were cut due to the subsidy budget cuts.

Municipal Bus Services Data Standard Buses

	DETAILS	2008/2009 Actual	2009/2010 Actual	2010/2011 Estimated
1	Passenger Journeys	13,251,280	10,480,157	17,918,400
2	Seats available for all Journeys	32,245,440	16,289,220	28,663,020
3	Average unused Bus Capacity for all Journeys	59%	36%	37%
4	Size of bus fleet at year end	495	495	473
5	Average no of buses of the road at any one time	50	30	10
6	Proportion of the fleet off the road at any one time	10%	6%	2%
7	No of bus journey scheduled	537,424	271,487	477,717
8	No of bus journeys cancelled	136,422	4,360	9,000
9	Proportion of journeys cancelled	25%	2%	2%

MUNICIPAL BUS SERVICES DATA MYNAH BUSES

	DETAILS	2008/2009 Actual	2009/2010 Actual	2010'/2011 Estimated
1	Passenger Journeys	3,890,160	1,061,736	2,665,124
2	Seats available for all Journeys	4862700	1181760	3,082,120
3	Average unused bus capacity for all journeys	20%	10%	14%
4	Size of bus fleet at year end	65	21	21
5	Average no of buses off the road at any one time	10	0	0
6	Proportion of the fleet off the road at any one time	15%	0%	0%
7	No of bus journey scheduled	243,135	59,088	154,106
8	No of bus journeys cancelled	47,062	551	900
9	Proportion of journeys cancelled	19%	1%	1%

Transport Service Policy Obctives Taken From IDP		
Service Objective (INCLUDING VEHICLE LICENSING AND PUBLIC BUS OPERATION)	**Outline Service Targets**	**2009/2010** Actual
(i)	(ii)	(iii)
Service Objective		
Number of passengers using scheduled public transport services	1.5 million passengers per month.	1.5 million per month.
Number of passengers using scheduled accessible public transport services	1500 passengers per month	1500 passengers per month

Financial Performance 2009/2010: Transport Services: Including City Fleet and Durban Transport

R'000

Details	2008/2009	2009/2010			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	(171,991)	(173,470)	(173,470)	(239,525)	(66,055)
Expenditure:					–
Employees	50,623	57,288	59,591	59,559	(32)
Repairs and Maintenance	52,935	129,173	134,203	131,449	(2,754)
Other	146,575	138,348	167,369	198,771	31,402
Total Operational Expenditure	250,133	324,809	361,163	389,780	28,617
Net Operational (Service) Expenditure	78,142	151,339	187,693	150,255	-37,438,193

Comment on performance of transport overall

An additional public transport subsidy is needed before improvements can be made.
For phase 1 of the Integrated Rapid Public Transport Network the estimated capital cost is R1.5-billion, and an operating or subsidy cost of about R100 million per annum in addition to the current subsidy.

STORMWATER DRAINAGE

NTRODUCTION

The Department is focussed on ensuring the improvement of all stormwater systems to the same level of service for all citizens within eThekwini, ensuring a coastline which is properly managed and maintained and ensuring that the flood risks to houses, industrial and commercial properties are managed.

SUCCESSES AND CHALLENGES

Stormwater

A programme is in place to find and identify the unknown stormwater systems within the city. Many have been found and mapped and these are being checked for condition and capacity. A complaints database exists to record all complaints and indentified work is prioritised for budget allocation. The recent major storms have stretched the resources of budget and staff as these have resulted in much unplanned emergency work.

Coastal

The development setback lines for the entire coastline have been published. The central beaches have had a large replenishment of sand after the loss of the sand in the 2007 coastal storms.

Rivers

Floodlines have been developed for 99% of the rivers within the city. A large amount of erosion protection has been installed where properties and infrastructure were being threatened and this work has been done using much local labour. We are in the process of developing master drainage plans for the rivers and these are to inform the process of identifying mitigation measures for new and existing developments within the catchment areas.

Stormwater Infrastructure

Kilometres

	Total stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2009/10	3394.764	1.508	0.517	3394.764

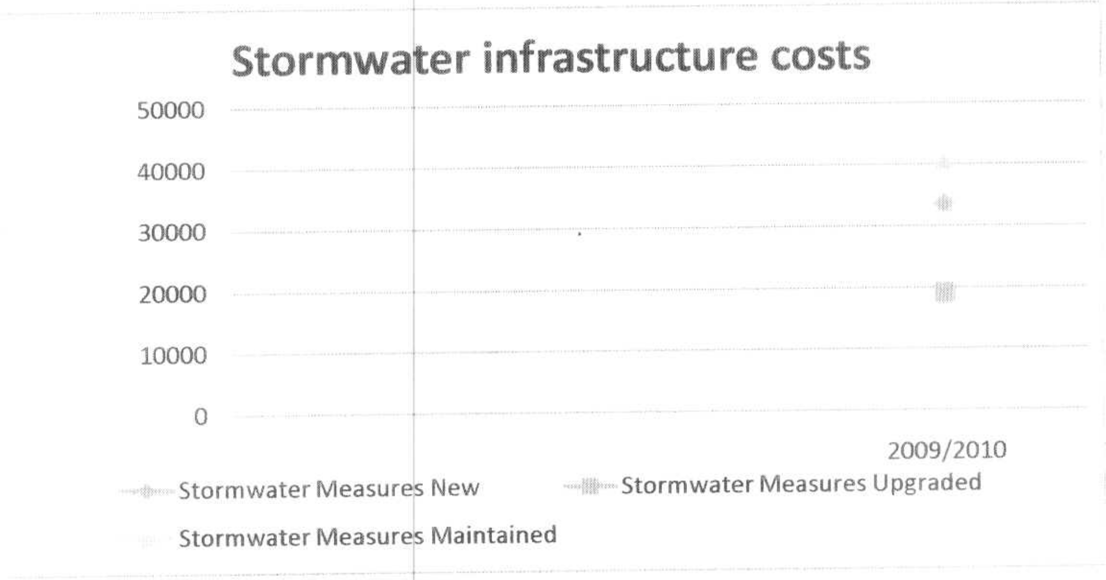
The above is the length extracted from our GIS database and reflects the known assets only. We are still in the process of finding and mapping all our stormwater systems as part of the asset management exercise. The above figures refer to the infrastructure that has been installed by the stormwater department only and do not include stormwater infrastructure that has been installed by roads or housing. The details of these installations are only made available in the ensuing years after construction.

Cost of Construction and Maintenance

R' 000

	Stormwater Measures		
	New	Upgraded	Maintained
2009/2010	33558	19075	40598

The "new stormwater measures" value also include erosion control measures, that is gabions. The "maintained value" is the amount spent for drain cleaning etc.



Stormwater Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	2008/2009		2009/2010			2010/2011	
		Target	Actual	Target		Actual	Target	
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Meet infrastructure & household service needs & address backlogs (Plan 3)	The backlog of properties with stormwater provision below the eThekwini defined level of service (ie properties prone to erosion and flooding).	795	791	501	623	590	529	311
		NOTE: The target for backlog changes annually as problem areas come to light through modelling and new problems being identified.						
	The number of properties below the eThekwini defined level of service provided with storm water solutions per annum.	256	260	290	290	323	218	220

Employees: Stormwater Services

Job Level	2008/2009	2009/2010			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	5	8	6	2	25%
4 - 6	9	8	6	2	25%
7 - 9	2	2	2	0	0%
10 - 12	24	43	33	10	23%
13 - 15	16	21	17	4	19%
16 - 18	4	4	4	0	0%
19 - 20	1	1	1	0	0%
Total	61	87	69	18	21%

Financial Performance 2009/10: Stormwater Services

Details	2008/2009	2009/2010			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	R 47,735,000	R 11,800	R 23,300	R 32,032	63%
Expenditure:					
Employees	R 23,257,180	R 30,004,770	R 29,997,080	R 24,676,617	-22%
Repairs and Maintenance	R 19,102,640	R 19,954,270	R 19,678,180	R 23,244,527	14%
General	R 37,888,920	R 42,593,280	R 42,970,490	R 83,266,328	49%
Contributions	R 42,056,270	-R 5,822,380	-R 5,822,380	-R 5,822,380	0%
Total Operational Expenditure	R 122,305,010	R 86,729,940	R 86,823,370	R 125,365,092	31%
Net Operational (Service) Expenditure	R 74,570,010	R 86,718,140	R 86,800,070	R 125,333,060	31%

NOTE: The increase in the general costs was mainly as a result of purchase of sand for the replenishment of the beachfront for the 2010 World Cup.

Capital Expenditure 2009/10: Stormwater Services

Capital Projects	2009/2010				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 46,678,280	R 46,698,280	R 119,315,832	256%	

Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).

NOTE: The increase is mainly attributed to the emergency work required as a result of the severe 2009 storms. The adjustment budget is to be regularised by the city Treasury Department.

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The key linkage to the IDP in relation to the Department's Capital and Operating expenditure relates to Plan 3, Quality Living Environments. This involves addressing stormwater backlogs, that is, the provision of stormwater solutions below the eThekwini defined levels of service. Although a five-year target is not defined in the IDP because the targets changes annually as problem areas come to light through modelling, annual targets are set and monitored and measured during the financial year.

To date all annual targets that have been set have been met with the existing budget provision and it is our view that this situation will continue in the years ahead.

The largest projects are the Infrastructure Asset Management exercise (currently largely being funded from the operating budget); the Sandile Thusi (Argyle) Road Outfall/revamp of the Sand Pumping Scheme; and the establishment of Master Drainage Plans, all funded via Capital.

PLANNING AND DEVELOPMENT

Introduction

Opportunities include:

- Durban is home to internationally recognised tertiary institutions, which creates opportunities for partnerships in the areas of planning, education and research.
- Durban is a port city with key transport linkages to other coastal and inland economic hubs.
- Existence of a widely accepted package of plans to guide investment.
- Pockets of strategically located vacant land in the urban core-opportunities for densification.

Challenges include:

- Lack of an efficient public transport system.
- Lack of an integrated spatial form.
- Proliferation of informal settlements (urbanisation).
- Urban sprawl and development in areas with limited or no readily available bulk infrastructure.
- Limited expertise in settlement planning for traditional authority areas.

Introduction to planning

Planning strategies with reference to achievements and challenges in:

Town Planning Achievements and Challenges

* Implementation of the new KZN Planning & Development Act .
* Land use regulation of Traditional authority and former R293 Township areas.
* Updating & consolidation of allocation system.
* Parallel existence of traditional land Town Planning schemes.
* Standardisation of LEFTEA conditions of establishment.

Building Regulation

* In-house training of staff to to sharpen understanding and skill.
* Outdated legislation (NBR & Building Standards Act 103 of 1977)
* Approval of building applications
* Legal impasse re:applicability of the National within legislated time-frames.
* Building Regulations in Ingonyama Trust and former R293 townships.

Enforcement

* Enhanced capacity.
* Minimal penalties result in disregard for regulations.
* Multi-disciplinary approach to enforcement action.
* Lengthy enforcement procedure - "delayed justice".
* Peace Officer training.
* Land use and building contraventions not prioritised through the justice system.

Top three service delivery priorities and how they have been tackled during the year:

a) Consolidation of Town Planning Schemes so that there are fewer.

- All the 30 Town Planning Schemes across the Municipality have been consolidated and are being tested for adoption by the Council.

b) Improve turnaround times for the approval of land use and building applications.

- Work-flow processes have been re-engineered to be more efficient.
- Automation of workflow processes initiated.
- Critical vacancies prioritised, funded and filled.

c) Facilitate the planning approval of public housing.

- Establishment of dedicated capacity for the approval of eThekwini housing applications.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
Planning application received	Nil	3	140	85	12098	11758
Determination made in year of receipt (approved)	Nil	Nil	32	25	6374	4506
Determination made in year of receipt (Refused)	Nil	Nil	Nil	Nil	5724	7252
Determination made in following year	Nil	Nil	108	60	Nil	Nil
Applications withdrawn	Nil	Nil	N/A	N/A	Nil	Nil
Applications outstanding at year end	Nil	Nil	108	60	Nil	Nil

Planning								
Service	Outline Service Targets	2008/2009		2009/2010			2010/20	2013/201
		Target	Actual	Target		Actual	Target	
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)
Develop, Manage and Regulate the Built and Natural Environment	Spatial development framework review	Annual SDF review	100%	Annual SDF review		100%	Final SDF review	
	Council approved spatial development plans	Adoption of 1 SDP	25%	4 SDPs complete and adopted by Council		100%	Annual review of SDPs	
	Local area plans complete		25%	Five Council approved LAPs		75%	Two Council approved LAPs	
	Precinct plans complete		25%	Two Council approved Precinct Plans		100%	Two Council approved Precinct Plans	

Employees: Planning Services (including Development Planning, Environment Planning and Climate Protection, Environment & Management Unit)

Job Level	2008/2009	2009/2010			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	32	12	26	0	0%
4 - 8	56	114	84	30	26%
9 - 13	191	377	188	189	50%
14- 15	60	33	66	0	0%
16 - 18	29	45	30	15	33%
19 - 25	8	9	7	2	22%
Total	376	590	401	236	40%

Financial Performance 2009/10: Planning Services (Including Development Planning, Environment Planning and Climate Protection)

R'000

Details	2008/2009	2009/2010			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	34396	59429	59429	34649	-71%
Expenditure:					
Employees	105287	130361	130361	117658	-10%
Repairs and Maintenance	830	856	916	1400	38%
Other	23937	37516	37456	33323	-12%
Total Operational Expenditure	130054	168733	168733	152381	-10%
Net Operational (Service) Expenditure	95658	109304	109304	117732	7%

Capital Expenditure 2009/10: Planning Services (Including Development Planning, Environment Planning and Climate Protection)

R' 000

Capital Projects	2009/2010				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2000	2000	2354	15%	

Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).

LOCAL ECONOMIC DEVELOPMENT

(INCLUDING TOURISM AND MARKET PLACES)

Introduction

The eThekwini Municipality's Economic Development Strategy was formally adopted by the Council during the 2007 focus on five economic choices. These are strategic skills development, strategic infrastructure, spatial integration, specialised sector and investment support and specialised enterprise development and innovation.

These areas of intervention were identified to assist in growing the economy while at the same time reducing inequality and unemployment and allowing for more equitable access to the mainstream economy. The strategy is also aligned with the essential goals of other spheres of government, namely gross domestic product (GDP) growth, reduction of unemployment and alleviating poverty, which since become the Municipality's top three priorities.

During 2006/07, 2007/08 and 2008/09, eThekwini's GDP grew by 6.4%, 4.4% and -2.3% respectively. The negative growth during 2008/09 was due to the global recession, but the economy emerged positive during the third quarter of 2009, growing by 0.9%. The growth was due mainly to a recovery in manufacturing production, but growth in the construction, government and services sectors also contributed.

During the same period (2006-2009), formal employment changed by 4.4%, 6.1% and -2.3%, indicating that a positive trend was expected had the global recession not intervened. The number of people living in poverty changed by -1.9%, 2.8% and -0.17% respectively in this period.

The Municipality will continue to focus on these three areas by implementing appropriate actions plans to ensure consistent GDP growth, decreasing unemployment and the halving poverty by 2014.

In pursuit of these objectives, the Municipality focuses on local economic development (LED) projects and sector support. LED interventions are aimed at providing direction on the spatial aspects of economic development. These relate to centres or nodes where businesses have developed by employing people from the area. The Municipality will seek to ensure these nodes are replicated across eThekwini. Such developments also attempts to bring economic opportunities closer to the people while increasing the overall competitiveness of the city's economy.

Sector support provides specialised economic services to priority sectors within the provincial and local economy. The Economic Development Strategy acknowledges and describes the necessary conditions for sector growth to ensure they are adequately equipped to compete in the global market. Programmes such as Enhancing Sector Competitiveness, Sector Skills Alignment and Enterprise Development Support have been established for this.

Economic Activity by Sector			
			R '000
Sector	2007/2008	2008/2009	2009/2010
Agric, forestry and fishing	1,826,947	2,031,923	1,957,517
Mining and quarrying	296,931	268,288	267,169
Manufacturing	39,031,348	40,109,605	35,802,023
Wholesale and retail trade	27,364,914	27,732,871	26,885,404
Finance, property, etc.	35,746,111	38,828,242	39,153,463
Govt, community and social services	27,566,472	28,753,391	29,746,313
Infrastructure services	34,600,831	36,347,847	36,886,882
Total	166,433,554	174,072,167	170,698,771

Economic Employment by Sector			
			Jobs
Sector	2007/2008 No.	2008/2009 No.	2009/2010 No.
Agric, forestry and fishing	10,939	10,783	9,564
Mining and quarrying	283	307	325
Manufacturing	174,890	182,000	183,356
Wholesale and retail trade	118,793	121,418	109,962
Finance, property, etc.	95,597	102,269	100,524
Govt, community and social services	235,096	253,999	255,537
Infrastructure services	83,774	92,490	86,674
Total	719,372	763,266	745,942

Job creation through EPWP* projects

Details	EPWP Projects No.	Jobs created through EPWP projects No.
2007/08	55	14,816
2008/09	41	36,468
2009/10	39	26,453

* Expanded Public Works Programme

Source: Godfrey Upton (Proc & Infra Unit 031-3116383)

Local Economic Development Policy Objectives Taken From IDP			
Service Objectives	Outline Service Targets	2009/2010	
		Target	Actual
Service Indicators (i)	(ii)	*Current Year (iii)	(vi)
Promoting employability and sustainable livelihoods through skills development	**Local Economic Development**	20	**20**
	Law enforcement	300	**286**
	Female lifeguards	12	**11**
	Fire fighters	80	**72**
	Diesel mechanics apprenticeships	15	**14**
	Maritime	10	**10**
	In-service training	Unemployed graduate Youth	**470**
	Internal audit	11	**13**
	Call centre: emergency services	15	**15**

Employees: Local Economic Development Services

Job Level	2007/08	2008/09			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (for example, 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2008/09: Local Economic Development Services

R'000

Details	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2008/09: Local Economic Development Services						
Capital Projects	2008/09					
	Budget	Revise Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**R 61,100,000.00**		-18203729	32504298	-88%	
Bridge City	R 12,759,000.00		130	128	-9967869%	280
Clermont & KwaDabeka	R 23,985,000.00		91	90	-26649900%	150
KwaMashu Town Centre	R 23,456,000.00		50	80	-29319900%	320
Ink NDPG	R 0.00					
Mpumalanga	R 500,000.00					
Umlazi						
TOWN CENTRE RENEWAL	**R 22,700,000.00**	**R 18,668,000.00**	**-R 10,247,000.00**	**R 18,954,000.00**	-20%	
Amanzimtoti	R 2,500,000.00	R 2,110,000.00	-R 390,000.00	R 2,126,000.00	-18%	
Illovo	R 2,700,000.00	R 33,000.00	-R 2,667,000.00	R 82,000.00	-3193%	
Isipingo	R 4,000,000.00	R 4,000,000.00	R 0.00	R 4,358,000.00	8%	
Pinetown	R 3,500,000.00	R 800,000.00	-R 2,700,000.00	R 982,000.00	-256%	
Tongaat	R 2,500,000.00	R 1,000,000.00	-R 1,500,000.00	R 918,000.00	-172%	
Umhlanga	R 2,500,000.00	R 2,500,000.00	R 0.00	R 1,808,000.00	-38%	
KwaMashu	R 0.00	R 1,005,000.00	-R 700,000.00	R 3,276,000.00	100%	
Umkomaas	R 2,500,000.00	R 50,000.00	-R 2,500,000.00	R 65,000.00	-3746%	
Clermont	R 0.00	R 10,000.00	R 10,000.00	R 17,000.00	100%	
South Coast Road	R 0.00	R 3,700,000.00	-R 300,000.00	R 1,600,000.00	100%	
Phoenix Industrial Park	R 0.00	R 160,000.00	-R 300,000.00	R 121,000.00	100%	
Verulam	R 2,500,000.00	R 3,300,000.00	R 800,000.00	R 3,601,000.00	31%	
TOURISM NODES	**R 9,300,000.00**	**R 14,012,000.00**	**R 499,670,000.00**	**R 16,432,000.00**	43%	
Tourism (New Projects)	R 3,000,000.00	R 0.00	-R 3,000,000.00	R 0.00		
Tourism Nodes & Corridors	R 0.00	R 1,000,000.00	R 1,000,000.00	R 1,030,000.00	100%	
Tourism Nodes & Corridors - Umgababa	R 2,000,000.00	R 4,470,000.00	R 2,470,000.00	R 5,053,000.00	60%	
Tourism Nodes & Corridors - Umhlanga Beach	R 3,500,000.00	R 8,500,000.00	R 500,000,000.00	R 10,300,000.00	66%	
Tourism Nodes & Corridors - Umkomaas Dive Site	R 800,000.00	R 42,000.00	-R 800,000.00	R 49,000.00	-1533%	
OTHER	**R 29,100,000.00**	**R 21,770,000.00**	**-R 9,280,000.00**	**R 16,384,000.00**	-78%	
Renewable Energy Technologies	R 3,000,000.00	R 4,600,000.00	-R 1,000,000.00	R 3,718,000.00	4%	
Agriculture	R 16,000,000.00	R 7,300,000.00	-R 8,700,000.00	R 3,012,000.00		
Umgeni Green Hub	R 0.00	R 950,000.00	R 950,000.00	R 423,000.00		
Creative Industries	R 2,000,000.00	R 0.00	-R 2,000,000.00	R 0.00		
Cottonlands Hydroponics	R 0.00	R 1,720,000.00	R 1,720,000.00	R 1,843,000.00		
Umlazi	R 0.00	R 3,100,000.00	R 1,600,000.00	R 2,804,000.00		
ICT	R 2,500,000.00	R 800,000.00	-R 500,000.00	R 222,000.00		
Inanda Heritage Route	R 2,300,000.00	R 1,000,000.00	-R 1,300,000.00	R 630,000.00		
Indigenous Medicine	R 1,000,000.00	R 0.00	-R 50,000.00	R 77,000.00		
Kingsway Tourism Corridor	R 2,300,000.00	R 2,300,000.00	R 0.00	R 3,655,000.00		

3.11.8